

# REPORT

**DATE:** September 14, 2006

**TO:** Community, Economic and Human Development Committee

**FROM:** Frank Wen, Program Manager/Growth Forecasting and Policy Analysis, [wen@scag.ca.gov](mailto:wen@scag.ca.gov), 213-236-1854

**SUBJECT:** Draft 2007 Integrated Regional Growth Forecast; Regional and County Level Disaggregation and Regional Housing Need Assessment (RHNA) Work Program and Schedule

**EXECUTIVE DIRECTOR'S APPROVAL:**  for m p

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## RECOMMENDED ACTION:

Approve the draft forecast and RHNA Work Program and Timeline and proceed with the disaggregation of the draft 2007 integrated regional growth forecast into smaller geographic levels and scheduling of subregional workshops.

## SUMMARY:

Forecasting staff has updated the draft 2007 integrated regional growth forecast and reached consensus about the forecast of population, households, housing units, and employment at the regional and county level. The draft 2007 integrated regional growth forecast of population, households, housing units, and employment in five year increments at the regional and county level are attached. This item is to request the CEHD to approve the draft 2007 integrated regional growth forecast and proceed with its disaggregation into smaller geographic levels. The draft 2007 integrated regional growth forecast will be the basis for developing the draft 2007 RTP/EIR/Compass Blueprint/RHNA.

## BACKGROUND:

As reported to the CEHD in February 2006, the major milestones of the draft 2007 integrated regional growth forecast for the past and new fiscal years are:

- Invite Counties/subregions to present their forecasts, and any pertinent growth issues to SCAG (Completed on February 15, 2006).
- Present growth forecasting methodology, assumptions, and results to Plans and Programs Technical Advisory Committee (Completed during months of February, March, April, May, August, and September, 2006).
- Convene a Panel of Experts to review and comment on the draft 2007 integrated regional growth forecast at the regional and county level (Completed on May 11, 2006).
- September 2006: Disaggregate the draft 2007 integrated regional growth forecast into smaller geographic levels (To be completed, pending the CEHD action).
- September 28, 2006: Hold first public hearing/methodology workshop.
- October 2006: Hold the subregional integrated growth forecast workshops to refine draft small area distributions.
- November 2006: Hold second public hearing/methodology workshop.
- December 2006: Complete the draft 2007 integrated regional growth forecast and the draft regional housing allocation plan.

**FISCAL IMPACT:**

The growth forecast project is programmed in the FY 2006-07 SCAG Overall Work Program. The RHNA components of the project require Administration Committee and Regional Council action for use of \$100,000 of the general fund.

# REPORT

ATTACHMENT:

## 2007 Integrated Growth Forecast Draft Population Forecast (in thousands)

2007 RTP	2000	2005	2010	2014	2015	2020	2025	2030	2035	2000-2030
Imperial	142	164	191	209	214	235	255	275	296	133
Los Angeles	9,519	10,206	10,619	10,908	10,980	11,336	11,695	12,059	12,417	2,540
Orange	2,846	3,060	3,281	3,406	3,437	3,557	3,632	3,678	3,718	832
Riverside	1,545	1,921	2,225	2,447	2,502	2,770	3,055	3,338	3,619	1,793
San Bernardino	1,710	1,971	2,182	2,323	2,359	2,540	2,734	2,947	3,169	1,237
Ventura	753	814	862	898	906	949	990	1,030	1,070	277
SCAG	16,517	18,136	19,361	20,191	20,398	21,387	22,361	23,328	24,290	6,811

2004 RTP*	2000	2005	2010	2015	2020	2025	2030	2035	2000-2030
Imperial	142	165	189	210	231	251	270		128
Los Angeles	9,519	10,258	10,718	11,114	11,502	11,871	12,222		2,702
Orange	2,846	3,103	3,292	3,370	3,434	3,494	3,553		706
Riverside	1,545	1,850	2,085	2,371	2,644	2,901	3,143		1,598
San Bernardino	1,710	1,919	2,059	2,230	2,398	2,559	2,713		1,003
Ventura	753	821	865	897	929	960	990		237
SCAG	16,517	18,118	19,209	20,191	21,138	22,035	22,891		6,374

\* Adopted in April 2004.

Draft

## 2007 Integrated Growth Forecast Draft Household Forecast (in thousands)

2007 RTP	2000	2005	2010	2014	2015	2020	2025	2030	2035	2000-2030
Imperial	39	45	54	60	61	69	76	83	91	44
Los Angeles	3,134	3,211	3,377	3,501	3,536	3,704	3,847	3,979	4,089	845
Orange	935	981	1,016	1,042	1,048	1,066	1,086	1,101	1,113	165
Riverside	506	608	710	786	811	912	1,025	1,126	1,220	620
San Bernardino	529	576	641	690	706	776	857	926	994	398
Ventura	243	260	276	287	291	306	322	337	351	94
SCAG	5,386	5,681	6,073	6,366	6,453	6,833	7,213	7,552	7,858	2,166

2004 RTP*	2000	2005	2010	2015	2020	2025	2030	2035	2000-2030
Imperial	39	45	55	62	69	77	84		44
Los Angeles	3,134	3,235	3,404	3,583	3,764	3,943	4,120		986
Orange	935	979	1,034	1,046	1,064	1,081	1,098		163
Riverside	506	587	686	796	908	1,018	1,128		622
San Bernardino	529	567	619	687	757	827	898		369
Ventura	243	260	275	289	304	318	332		89
SCAG	5,386	5,674	6,073	6,463	6,865	7,264	7,660		2,274

\* Adopted in April 2004.

Draft

## 2007 Integrated Growth Forecast Draft Housing Forecast (in thousands)

2007 RTP	2000	2005	2010	2014	2015	2020	2025	2030	2035	2000-2030
Imperial	44	50	60	67	68	77	85	93	101	49
Los Angeles	3,271	3,352	3,525	3,655	3,691	3,867	4,016	4,153	4,268	883
Orange	969	1,016	1,053	1,080	1,087	1,105	1,125	1,140	1,154	171
Riverside	585	703	820	908	936	1,053	1,184	1,301	1,409	716
San Bernardino	601	656	729	785	804	883	974	1,054	1,131	452
Ventura	252	269	285	297	301	317	333	349	363	97
SCAG	5,722	6,046	6,472	6,791	6,886	7,301	7,718	8,090	8,426	2,368

Note: housing unit forecasts = household forecasts / (1- total vacancy rate from 2000 census)

**Draft**

## 2007 Integrated Growth Forecast Draft Employment Forecast (in thousands)

2007 RTP	2000	2005	2010	2014	2015	2020	2025	2030	2035	2000-2030
Imperial	54	58	66	70	72	81	92	104	116	49
Los Angeles	4,444	4,397	4,557	4,655	4,689	4,800	4,927	5,054	5,180	610
Orange	1,517	1,632	1,777	1,851	1,869	1,926	1,982	2,032	2,080	515
Riverside	514	648	782	880	914	1,025	1,152	1,283	1,420	769
San Bernardino	587	704	810	880	905	994	1,097	1,207	1,321	619
Ventura	323	345	373	391	397	418	438	458	480	135
SCAG	7,440	7,785	8,365	8,728	8,847	9,244	9,688	10,138	10,596	2,698

2004 RTP*	2000	2005	2010	2015	2020	2025	2030	2035	2000-2030
Imperial	55	61	77	85	94	102	111		56
Los Angeles	4,453	4,504	5,022	5,199	5,367	5,520	5,661		1,208
Orange	1,515	1,581	1,750	1,802	1,848	1,888	1,922		407
Riverside	527	604	728	840	954	1,071	1,189		662
San Bernardino	595	669	771	870	972	1,075	1,179		584
Ventura	337	347	382	403	424	445	465		128
SCAG	7,482	7,765	8,729	9,199	9,660	10,101	10,527		3,045

\* Adopted in April 2004.

**Draft**

**DRAFT Growth Integrated Forecast/ RHNA Timeline**  
**August 2006- June 2008**

Aug 28	Public notification of first public hearing/methodology workshop and outline of RHNA process.
Aug 29	Notify subregions of subregional delegation opportunity.
Sept 14	SCAG forms CEHD subcommittee to work on housing methodology policy.
Sept 15 – Nov 2006	Housing subcommittee meets to discuss and make recommendations to CEHD on RHNA housing methodology policies.
Sept 15	Deadline for subregions to accept delegation.
Sept 28	First public hearing/methodology workshop. SCAG will take testimony, present the four variables, and explain what factors were used for the forecast and how this work informs the RHNA process.
Oct 2006	SCAG conducts 14 subregional workshops.
Oct 2006	Public notification 30 days in advance of second public hearing/methodology workshop.
Nov 2006	Second public hearing/methodology workshop. This will convene after the final Housing Subcommittee meeting and will focus on policy recommendations.
Dec 1	SCAG will approve the 4 variables and RHNA draft regional housing allocation plan for all jurisdictions. Review/appeals process begins.
Feb 1, 2007	Last day for jurisdictions to file appeals based on AB 2158 factors.
Feb 11	Deadline for SCAG to notify jurisdictions of a public hearing for their appeal within 10 days of receiving the intent to appeal.
Mar 11-16	Public hearings held for appealing jurisdictions based on AB 2158 factors. The hearings will be held between 30 and 35 days from the date of SCAG's notification.
Mar 16	End of the appeals filing and hearing process. Alternative distribution and transfers may occur until SCAG adopts a final housing need allocation plan.
May 5	SCAG issues a proposed final allocation plan based on appeals and input received. This occurs within 45 days of the end of the appeals filing and hearing process.
Jun 2	SCAG holds a public hearing to present the final housing need allocation plan. This occurs within 45 days of issuance of the proposed final allocation plan.
Jun 3	SCAG submits its final housing need allocation plan to HCD.
Aug 3, 2007	Final adoption of the Housing Allocation Plan by HCD.
Jun 30, 2008	Due date for jurisdictions in the SCAG Region to submit revised Housing Elements to HCD.

**Definitions of Acronyms:**

**RHNA: Regional Housing Needs Assessment**

The process of determining the regional fair share of statewide housing. The distribution of the regional need on a jurisdiction by jurisdiction basis is adopted in the housing need allocation plan submitted to HCD.

**SCAG: Southern California Association of Governments**

Regional Council of Governments (COG) mandated in state law to prepare the regional housing need assessment and allocation plan for the six-county area.

**CEHD: SCAG Community, Economic and Human Development Committee**

One of three SCAG policy committees responsible for policy development and oversight of the regional housing need assessment and allocation plan.

**HCD: State of California Department of Housing and Community Development**

As California's principal housing agency, the mission of HCD is to provide leadership, policies and programs to expand and preserve safe and affordable housing opportunities and promote strong communities for all Californians. HCD is the responsible state agency for implementation of California Government Code Sections 65580-65589.8.

# REPORT

**DATE:** September 14, 2006

**TO:** Administration Committee  
Regional Council

**FROM:** Hasan Ikhata, Director, Policy and Planning Department

**SUBJECT:** Regional Housing Needs Assessment (RHNA) General Fund Request

## EXECUTIVE DIRECTOR'S APPROVAL:

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### RECOMMENDED ACTION:

Designate \$100,000 in SCAG General Fund resources to fund RHNA related activities through December 31, 2006.

### SUMMARY:

A RHNA policy methodology workshop will be conducted after subregional workshops are finished and local input and feedback on AB 2158 considerations are presented. This second methodology workshop will cover policy issues, including but not limited to: fair share adjustments to avoid the over concentration of lower income households, vacancy rate and demolition assumptions that assure a healthy functioning housing market; allocation of growth between incorporated and unincorporated areas, balancing job and housing growth to lessen commuter housing demand, revisions and appeals policies and procedures and other adjustments as appropriate. This session is scheduled for November 2006 and SCAG General Funds are requested to support staff work related to the review and presentation of these issues, and interaction with the State Department of Housing and Community Development and local governments. This covers Phase I funding. A Phase II funding request will be presented in January 2007 to cover RHNA costs through August 2007.

### BACKGROUND:

Options to pay for the development of the 2007 RHNA include each of the following potential resources, either separately or in some combination:

- A new RHNA fee as allowed in current statute
- Use of the SCAG General Fund
- Use of growth forecast related funds from the current OWP
- Use of California Blueprint grant funds

Approximately, \$100,000 in SCAG General Fund resources are needed to fund RHNA costs through December 2006. These resources will primarily be used to support work related to a RHNA methodology workshop in November 2006. This will follow a public hearing on RHNA methodology which will review the RHNA timeline, identify how public noticing will be conducted and show how the growth forecast and needs assessment will be integrated into one forecast process. It will also describe the workshop format for 14 subregional sessions that will occur in October 2006. The 14 subregional workshops will focus on small area allocation at which local governments may submit AB 2158 planning factors for consideration in refining variables and the distributions of growth in their subregion. A proposed budget and timeline is attached.

# REPORT

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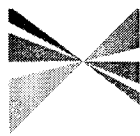
**FISCAL IMPACT:**

The General Fund request of \$100,000 is available in the General Fund reserve account.

## SCAG RHNA PILOT PROGRAM SEPTEMBER- DECEMBER 2006 BUDGET

RHNA Work Activities		Budget
RHNA1	Consult with HCD on growth forecasts for the region	\$8,500
RHNA2	Housing data for existing conditions, replacement & vacancy needs from 2000 Census	\$8,500
RHNA3	Determine the methodology for parameters used to translate households to housing units	\$12,500
RHNA4	Determine methodology/policies to allocate housing needs by local jurisdictions based on "fair share" & "equity" principles	\$35,000
RHNA5	Determine methodology/policies to allocate housing needs by income categories as required by housing law	\$35,500
RHNA6	Formation of Subregional Entities	\$0
RHNA7	Revision/reconcile differences among various needs allocations: Baseline, Blueprint Compass and Fair-share allocation	\$0
RHNA8	Facilitation/Determination of revision requests and trading among local jurisdictions	\$0
RHNA9	Public hearing for final approval	\$0
		<hr/> \$100,000





## **Public Hearing/Workshop Notice**

### **Integrated Regional Growth Forecast and**

### **Regional Housing Needs Assessment (RHNA) Methodology**

Conducted pursuant to Government Code Section 65584.04

**Thursday, September 28, 2006**

**8:30 am – 12:30 pm**

Contact: Ma'Ayn Johnson 213-236-1975

SCAG Main Office  
818 W. 7<sup>th</sup> Street, 12<sup>th</sup> Floor  
San Bernardino Room  
Los Angeles, CA 90017

Video Conference Location  
SCAG, Riverside Office  
3600 Lime Street, Suite 216  
Riverside, CA 92501

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Public Notice is hereby given that the Southern California Association of Governments (SCAG) will conduct the first of two public hearing/workshops at the date, time and location identified above. The public hearing/workshop is being held pursuant to Government Code Section 65584.04 and SCAG's public participation policies. This public hearing/workshop signals SCAG's commencement of the Fourth Cycle of the Regional Housing Needs Assessment process to issue the Regional Housing Need Allocation Plan required by the State in order for local jurisdictions to prepare updated General Plan Housing Elements.

The purposes of the September 28<sup>th</sup>, 2006 public hearing/workshop are to:

Accept public testimony from any interested party regarding the integrated growth forecast and RHNA methodology;

Review SCAG's work on the regional growth forecast over the past year;

Present the four growth variables: employment, population, households and housing units and explain how the forecast was developed at the regional and county level;

Show how the regional growth forecast and the four growth variables are related to the regional housing needs assessment and integrated into one forecast process;

Review the RHNA schedule and timeline for completion;

Describe the upcoming subregion workshop sessions, objectives, format, and roles and responsibilities for local government and stakeholder participation and comment for 14 subregional sessions that will occur throughout the region in October 2006;

Identify how Government Code Section 65584.04, regarding "AB 2158 planning factors," will be integrated into the regional forecast/RHNA process; and

Describe the process for local government and stakeholders input and participation to ensure local considerations are included with AB 2158 planning factors in refining the housing growth forecast, along with the assessment of housing need and description of land use distribution patterns in their respective subregion and local areas.

A second public hearing/workshop on RHNA policy and methodology will be conducted after the 14 subregional workshops are completed and local input and feedback on AB 2158 considerations are presented. This second methodology workshop will cover policy issues, including but not limited to: fair share adjustments to avoid the over concentration of lower income households, vacancy rate and demolition assumptions that assure a healthy functioning housing market; allocation of growth between incorporated and unincorporated areas, balancing job and housing growth to lessen commuter housing demand, revisions and appeals policies and procedures and other adjustments as appropriate. This public hearing/workshop is scheduled for November 2006; additional public notice will be given.

Background information regarding this public hearing/workshop is available at: <http://www.scag.ca.gov/Housing/rhna.htm>. Written comments may be submitted beforehand for SCAG's consideration and discussion at the public hearing/workshop. Written comments should be submitted no later than 5:00 p.m. on September 21, 2006, to the following:  
SCAG 818 W. 7<sup>th</sup> Street, 12<sup>th</sup> Floor Los Angeles, CA 90017 Attention: Ma'Ayn Johnson

# MEMO

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**DATE:** 8-29-06

**TO:** Regional Council/Executive Committee/CEHD

**FROM:** Jim Gosnell

**SUBJECT:** Status of RHNA Legislative Proposal

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Since the last meeting of this committee, there has been substantial activity to move forward with the draft language you had endorsed regarding the RHNA Pilot Program. The SCAG Executive Committee has met three times (the Regional Council and policy committees were dark in August). On July 27<sup>th</sup>, the Executive Committee reviewed and endorsed draft language that emerged through ongoing discussions with numerous housing stakeholders.

At the request of Senator Lowenthal, additional stakeholder conversations were held where more inputs were developed on various issues. While there is general agreement, there are still one or two details to be worked out. While the stakeholders' discussions were being held, assembly leadership indicated they were not ready to accept a bill in August. They have instead agreed to have a bill introduced in December and considered in early January. The Senate Housing leader concurs with this approach. President Burke, the Executive Committee, and other Regional Council members have been active in discussing this issue with various legislators.

Attached is DRAFT legislative language for your review that represents the general status of all parties' inputs.

Att: Amendments to Senate Bill No. 927

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RN 06 21094 PAGE 1  
Substantive

**AMENDMENTS TO SENATE BILL NO. 927  
AS AMENDED IN ASSEMBLY JUNE 20, 2006**

**Amendment 1**

Strike out lines 1 to 4, inclusive, of the title, and insert:

An act to add and repeal Section 65584.08 of the Government Code, relating to

**Amendment 2**

On page 1, before line 1, and insert:

**SECTION 1.** Section 65584.08 is added to the Government Code, to read:  
**65584.08.** For the fourth revision of the housing element pursuant to Section 65588 within the region of the Southern California Association of Governments, the existing and projected need for housing for the region as a whole and each jurisdiction within the region shall be determined according to the provisions of this article except as those provisions are specifically modified by this section.

(a) The existing and projected housing need for the region shall be determined in the following manner:

(1) The Southern California Association of Governments shall develop an integrated long-term growth forecast by five year increments. The growth forecast is not a Regional Housing Needs Allocation Plan.

(2) The forecast shall consist of three major variables: population, employment, and households, by geographic area throughout the region.

(3) The Southern California Association of Governments shall convert households into housing units using replacement rates from the Department of Finance, and county level vacancy rates from the most recent census, by weighing vacancy rates of for-sale and for-rent units.

(4) The Southern California Association of Governments shall transmit the forecast to the department with the following variables: population, employment, households, and housing units.

(5) Upon receiving the forecast, the department shall determine the existing and projected housing need for the region in accordance with paragraph (2) of subdivision (c) and with subdivision (d) of Section 65584.01.

(b) Instead of the survey of each of its member jurisdictions pursuant to subdivision (b) of Section 65584.04, the Southern California Association of Governments shall conduct a public workshop. At least 30 days prior to the public workshop, the Southern California Association of Governments shall notify affected jurisdictions about the manner in which it proposes to consider the factors specified in subdivision (d) of Section 65584.04 in the housing allocation process. Local governments may submit information about the factors before the workshop for the Southern California Association of Governments' consideration and incorporation into the discussion of the methodology at the workshop.

(c) The Southern California Association of Governments shall delegate development of the housing need allocation plan to the subregional entities, provided

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Substantive

the Southern California Association of Governments and the subregional entities agree in writing and provided the Southern California Association of Governments ensures that the total regional housing need is maintained.

(d) The Southern California Association of Governments shall conduct a minimum of 14 public workshops to discuss the regional growth forecast and the factors upon which housing needs are proposed to be allocated to subregions, or, in absence of a subregion, to individual jurisdictions. The workshops will also present opportunities for jurisdictions and members of the public or relevant stakeholders to provide information to the Southern California Association of Governments on local conditions and factors. Following the workshops, concurrent with the adoption of its draft housing allocation plan, the Southern California Association of Governments shall describe the following:

(1) The manner in which the plan is consistent with the housing, employment, transportation, and environmental needs of the region.

(2) The manner in which the methodology that produced the plan complies with subdivision (e) of Section 65584.04.

(3) The manner in which the information received in the public workshops was considered in the methodology used to allocate the regional housing need.

(e) Both the methodology and allocation process shall consider the factors identified in subdivision (d) of Section 65584.04 and promote the goals and objectives of subdivision (d) of Section 65584 and the regional transportation plan growth forecasting process to integrate housing planning with projected population growth and transportation. The Southern California Association of Governments shall complete the final housing need allocation plan 12 months from the date that the department sends a final written determination of the region's existing and projected housing need. It is the intent of the Legislature that the housing element update deadlines as required in Section 65588 and as modified by the department pursuant to paragraph (2) of subdivision (a) of Section 65584.02 will not be extended, but the Southern California Association of Governments shall submit a report to the Legislature on March 30, 2007, describing the progress it has made in completing the final housing need allocation plan.

(f) A city or county may appeal its draft allocation to the Southern California Association of Governments or delegate subregion based upon the application of the methodology adopted by the Southern California Association of Governments, or in accordance with the factors identified in subdivision (d) of Section 65584.04, pursuant to subdivision (e) of Section 65584.05, but the Southern California Association of Governments shall not be required to entertain requests for revision pursuant to subdivisions (b) and (c) of Section 65584.05. A city or county shall not be allowed to file more than one appeal, and no appeals may be filed relating to any adjustments made pursuant to subdivision (g) of Section 65584.05. The final allocation plan shall be subject to the provisions of subdivision (h) of Section 65584.05.

(g) The Southern California Association of Governments shall approve the final housing need allocation plan and describe the manner in which all of the following will be accomplished:

(1) The plan is consistent with the objectives of this section and article.

(2) The plan is consistent with the regional transportation plan.

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Substantive

(3) The plan takes into account the information provided to the Southern California Association of Governments by its member jurisdictions pursuant to subdivisions (b) and (d).

(4) The distribution of housing units pursuant to the plan will not substantially impact the growth forecast in the air quality plan.

(5) The total regional housing need is maintained.

(h) This section shall remain in effect only until January 1, 2015, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2015, deletes or extends that date.

Amendment 3

On page 1, strike out lines 1 and 2, and strike out pages 2 to 20, inclusive

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